

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 701

(Delegate Owings, *et al.*)

Economic Matters

Education, Health, and Environmental Affairs

Business Occupations and Professions - Real Estate Brokers - Use of Designated Name

This bill changes the term “trade name” to “designated name.” The bill also authorizes a licensed real estate broker to advertise and provide brokerage services under a designated name, if specified requirements are met.

Fiscal Summary

State Effect: General fund revenues could increase minimally due to collection of more fees. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A licensed real estate broker may advertise and provide brokerage services under a designated name that has been approved by the State Real Estate Commission and may add a designated name on a license certificate or pocket card, if the licensee submits to the commission:

- an application on a form provided by the commission;
- the license certificate and pocket card of the licensee;

- any documentation about the designated name that the commission requires; and
- a fee of \$5.

The full legal name of the licensee and the approved designated name must be on the new license certificate and pocket card.

A licensed broker may not advertise unless the advertisement includes either the licensee's name or designated name and the name of the business with which the licensee is affiliated. The name of the business must be meaningfully and conspicuously included and must be the full name of the business rather than a logo used by the business. The bill also repeals the requirement that, on or before October 1, 2004, the name of the business with which the licensed real estate salesperson or licensed associate real estate broker is affiliated must be displayed in a size that is at least as large as the size of the name or trade name of the licensed real estate salesperson or licensed associate real estate broker.

Current Law: The license certificate and pocket card for a licensed real estate broker must include the full legal name of the licensee. There are no provisions for a licensed real estate broker to include any other trade names on a license certificate or pocket card.

However, licensed associate real estate brokers and salespersons may advertise and provide brokerage services under a trade name if specified requirements are met. One of the requirements is that, on or before October 1, 2004, the name of the business must be displayed in a size that is at least as large as the size of the name or trade name of the licensed real estate salesperson or licensed associate real estate broker.

The commission may deny a license, reprimand a licensee, or suspend or revoke a license if the applicant violates provisions relating to advertising and use of trade name.

Background: A trade name is a name other than a licensee's full legal name, and includes a first name, nickname, or last name. Chapter 583 of 2002 authorized licensed associate real estate brokers and salespersons to use a trade name in advertisements and brokerage services provided. The bill changes "trade name" to "designated name" to avoid confusion with the term "trademark."

State Fiscal Effect: The Department of Labor, Licensing, and Regulation advises that approximately 4,200 licensed real estate brokers licensed in the State would be eligible to register a designated name under this bill. Although there are no indicators available to reliably estimate how many licensees will choose to register a designated name, it is

assumed that general fund revenues would be minimal. Additionally, one-time electronic licensing and database upgrades could be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2004
ncs/ljm Revised - House Third Reader - March 23, 2004
Revised - Enrolled Bill - May 5, 2004

Analysis by: Christopher J. Kelter

Direct Inquiries to:
(410) 946-5510
(301) 970-5510